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SUBJECT: WEEKLY MEDIA WRAP-UP: AIRBUS MANEUVERING; IRAQ WAR--TAKING CARE OF SOLDIERS, THE LIBBY VERDICT, BAGHDAD CONFERENCE; PRESIDENT BUSH'S TRIP TO LATIN AMERICA. MARCH 9, 2007.

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Sensitive but unclassified. Please protect accordingly.

SUMMARY

¶1. (SBU) Domestic issues dominated headlines this week, focused on Airbus's plans to restructure, anticipated job cuts and the presidential candidates' support for the ailing company. "Airbus caught in campaign turbulence" and "Airbus trapped in the campaign" were the headlines of economic daily Les Echos and right-of-center Le Figaro on March 5. In U.S.-related news on March 5, right-of-center Le Figaro's New York correspondent penned an article on conditions at Walter Reed and the commission appointed by President Bush to look into the situation. Left-of-center Le Monde's front page noted that Defense Secretary Gates also is denouncing the conditions at Walter Reed. State-run France 2's morning news program on March 7, as well as the front page of right-of-center Le Figaro, reported the guilty verdict in the perjury case against Lewis "Scooter" Libby. International stories included the upcoming conference in Baghdad, missile defense and President Bush's trip to Latin America. End Summary.

AIRBUS

¶2. (SBU) On March 5, in regional Le Republicain Lorrain, Pierre Frehel wrote that "The crisis at Airbus has unleashed France's old tendencies of nationalism and protectionism." In regional La Liberte de l'Est, Gerard Noel suggested that "they must be getting a good laugh at Boeing. Silly Europeans, incapable of rising above their own national chauvinism... and plunging one of their icons, Airbus, into the abyss... A depressing state of affairs for the countries that had once been reputed to be the motors of the EU."

¶3. (SBU) On March 6, right-of-center Le Figaro's headline noted that "the Right and Left are butting heads on the government's role" in trying to help Airbus out of its current crisis, with two full pages of coverage, including articles on Socialist candidate Segolene Royal's meeting with German Chancellor Angela Merkel, as well as Prime Minister Villepin's comments that "the state must play its role." (Note: UMP candidate Sarkozy also subsequently came out in favor of an increased national stake in the company. End Note.) The daily carried an investigation of the German regional issues at stake, and an article covering the role of the unions in the current disagreements. Economic daily Les Echos' article on "Airbus: Sarkozy and Villepin in Favor of an Increase in Capital" noted that

the "Airbus 'Power 8' plan was announced in the middle of the election campaign...and you can tell."

14. (SBU) The March 7 editorial in right-of-center Le Figaro by Stephanie Marchand said that "France is slowing Germany down... The Franco-German couple is doing poorly. And the painful restructuring of Airbus serves to highlight this even more... In terms of economic policy, it is as if the countries on either side of the Rhine are not living in this century."

15. (SBU) Left-of-center Le Monde on March 8 featured an interview with EADS co-president Louis Gallois. Gallois confirmed that "no part of the A350 will be contracted outside of France as certain rumors would have had one believe... It is the delays in the A380 that led to the Power 8 Plan. But one of the real problems that the company faces is coping with the weak dollar (which makes Airbus uncompetitive on the market). When the dollar drops 10 cents it costs the company one billion euros."

CONDITIONS AT WALTER REED, LIBBY VERDICT

16. (SBU) Left-wing Liberation's Washington correspondent Philippe Grangereau on March 5 wrote: "When George W. Bush is filmed at Walter Reed hospital shaking hands with wounded soldiers, it is always in the ultra-modern wing set aside for amputees. The rest of Walter Reed, which is for the most part off-limits to journalists, is infested with mice, cockroaches and mildew... There a great number of soldiers languish for months, sometimes years." For left-of-center Le Monde on March 5, Defense Secretary Robert Gates is imposing "his method... but the Walter Reed story is only just beginning" according to correspondent Corine Lesnes.

17. (SBU) On March 7, Washington correspondent for right-of-center Le Figaro, Philippe Gelie, noted about the Libby verdict that "for VP Cheney's former right-hand man, the blow is a hard one... and leaves a dark cloud hanging over the VP and the Bush Administration as well

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as adding to the fiasco that is the American intervention in Iraq." Left-wing Liberation's Washington correspondent Philippe Grangereau wrote March 8 on the "Vices of the Vice President." "The White House's lies going into Iraq... are catching up to the highest-ranking officials in the Bush Administration. In particular, to Dick Cheney, who is strongly suspected of having orchestrated the whole affair... The White House has not said if it intends to grant a presidential pardon to Lewis Libby at the end of the president's term in office. The trial of a high-level official is unprecedented since the Iran-Contra scandal in the 1980s and has shed light on the vindictive practices of Dick Cheney, who went so far as to declassify certain reports or leak information to the press in order to embarrass his political opponents. Rarely has a vice president had so much power in the history of the U.S. His office is a sort of citadel of secrecy with a staff far larger than any of his predecessors.'" Agnes Rotivel, in Catholic La Croix (March 8), suggested that "It became clear over the course of the trial that Lewis Libby was simply the scapegoat used to protect those who are truly guilty."

BAGHDAD CONFERENCE

18. (SBU) Karine Lajon in Sunday newspaper Le Journal du Dimanche (March 4) commented on the Baghdad Conference, saying "The idea comes from Baghdad, but France likes it. Next Saturday, an international conference will take place in the Iraqi capital... The official aim of this meeting is to move the political process forward... The unofficial purpose is to break the ice between the U.S., Iran and Syria... France is seeing this as a softening of the American position... Paris will be represented by the French Ambassador to Iraq... For Syria and Iran, this conference provides them with an opportunity to position themselves as essential regional powers." On March 7, left-of-center Le Monde's Daniel Vernet noted that the "new diplomatic front opened by the U.S. took

everyone by surprise... It is true that George Bush had already agreed to compromise with North Korea in spite of the fact that, like Iran, it is part of the "Axis of Evil." Apparently the American president has decided to implement some of the recommendations of the Baker-Hamilton Report."

MISSILE SHIELD

¶9. (SBU) March 7, left-of-center Le Monde's Nathalie Nougayrede wrote that "the American anti-missile shield plans have divided Europeans... France, for its part, is keeping a low profile while Germany has expressed its marked reticence... Paris is underscoring that the project is strictly American and a bilateral matter between the U.S. and the various countries that have been approached as candidates for new bases.... France's position is significantly different from 1999, when Jacques Chirac clearly stated his opposition to the anti-missile defense project... Moreover, the French consider that Russia received fair warning by the U.S. about the American missile defense project."

PRESIDENT BUSH IN LATIN AMERICA

¶10. (SBU) The editorial by Stephane Marchand in right-of-center Le Figaro (March 8) notes that "As far as energy is concerned, the U.S. is like every other country, dependent and vulnerable. This frailty will be especially tangible during President Bush's trip to Latin America ... The American president is arriving in a region that has been awash in virulent anti-Americanism for years... During the course of the last six years during which the region had the impression that it had been forgotten by the Bush Administration that was entirely turned towards the war on terrorism, Chavez's campaign against the U.S. has taken on proportions that are reminiscent of Fidel Castro's Cuba... with the added leverage of the petro-dollars that give him, if not a position in the world, at least an audience... The situation is worrisome but George W. Bush thinks that he has a plan. For the U.S. to be able to do without Chavez' oil, it needs to set up the possibility of making ethanol continent-wide... George Bush and his Brazilian counterpart will sign an agreement today... The U.S. and Brazil account for 72 percent of the world production of ethanol... If this agreement is implemented and the Democratic Congress gets on board, the White House will once again have a foothold in the Latin American energy arena."

¶11. (SBU) Washington correspondent for left-of-center Le Monde, Corine Lesnes, noted (March 8) that "Left by the wayside following

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the September 11, 2001 attacks, Latin America is now coming back onto the front of the stage as far as American foreign policy is concerned... President Bush is going to present a set of initiatives that will vie with other regional assistance programs, namely from countries such as Venezuela or Cuba.

RADIO FRANCE PERSONNEL CHANGE

¶12. (SBU) Left-wing Liberation noted that "France Info's Head Fired for Lack of Audience," commenting that Michel Polacco was dismissed March 8. According to most of the press, Michel Polacco is paying for the continuing drop in audience that France Info has been suffering for several years. The results of a study, commissioned by Radio France CEO Jean-Paul Cluzel, to analyze the reasons for France Info's decline in listenership are expected soon. Polacco, who is going to serve as an advisor to CEO Cluzel, will be replaced by Patrick Roger, currently chief editor and presenter for the 8 o'clock morning news on France Inter.

STAPLETON